

56. Discussion. Although most commenters supported the proposed modification,²²⁵ this proposal has been mooted by the Commission's implementation of Section 276 of the 1934 Act, as amended.²²⁶ Section 276 directs the Commission to establish a plan to ensure "that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call" from their payphone.²²⁷ On September 20, 1996, the Commission issued a Report and Order in CC Docket 96-128, "Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996," that restructured the Commission's rules and policies governing the payphone industry.²²⁸

57. In the Payphone Compensation Order, the Commission noted that Section 276 "supersedes the compensation obligations established in CC Docket No. 91-35, including the waivers granted to AT&T and Sprint."²²⁹ The Commission specifically revoked the waivers of Section 64.131 of the Commission's rules granted to AT&T and Sprint, and as a result, eliminated the associated reports.²³⁰ Because the Commission has acted to eliminate these reports, the Bureau, acting on delegated authority, rescinds the proposal in the NPRM.

V. CONCLUSION

58. By these actions, we eliminate or significantly decrease the regulatory burden on the public by substantially reducing the reporting burden on carriers subject to our regulation. In requiring the public to provide the Commission with only that information that the Commission needs to carry out its statutory functions, we maintain our public interest obligations while acting consistently with the President's Regulatory Reform Initiative. We emphasize that the actions taken here constitute only one step in a continuing process of regulatory streamlining and reform.

VI. ADMINISTRATIVE MATTERS

59. *Final Regulatory Flexibility Analysis.* Pursuant to the Regulatory Flexibility Act

(Sprint Waiver).

²²⁵ AT&T Comments at 6; Citizens for a Sound Economy Reply Comments at 4; Sprint Comments at 3; but see APCC Comments at 2 (opposing attempts to eliminate the report but not commenting on the proposed modification).

²²⁶ 47 U.S.C. § 276(b)(1)(A).

²²⁷ Id.

²²⁸ Payphone Compensation Order, CC Docket No. 96-128, FCC 96-388.

²²⁹ Id. at para. 119.

²³⁰ Id. at para. 373.

of 1980, as amended, 5 U.S.C. Section 601, et seq., the Commission's final analysis in this Report and Order is attached as Appendix B.

60. *Final Paperwork Reduction Act of 1995 Analysis.* The decision herein has been analyzed with respect to the Paperwork Reduction Act of 1995, Pub. L. 104-13, and has been approved in accordance with the provisions of that Act. The Office of Management and Budget (OMB) offered its strong support for the actions as proposed. In addition, OMB made three suggestions in addition to our proposals: 1) that the word "annual" be added to the revised language for § 65.600(b)²³¹ to make clear that the reports are required on an annual basis; 2) that the Commission conduct a rulemaking to address the filing requirements associated with the ARMIS and CAM reporting thresholds; and 3) that the Commission consider modifying the annual access tariff filing periods to coincide with the periods covered by the interstate rate of return monitoring reports.²³² First, we agree with OMB and ALLTEL that the revised language for § 65.600(b) should more clearly specify that reports are required on an annual basis. We believe that our revised language for § 65.600(b), adopted herein, achieves that result. Second, as discussed supra at Part IV, the Commission will address ARMIS and CAM filing requirements and carrier classification in another proceeding. Finally, we decline to alter the annual access tariff filing period because the present schedule allows the Commission to use the current years rate-of-return reports to evaluate and calculate annual access tariffs.²³³

²³¹ Notice of Office of Management and Budget Action, at 2 (OMB No. 3060-0701) (rel. May 30, 1996). OMB suggests a change to § 65.500(b). We assume this to be a typographical error. ALLTEL, whose suggestion OMB specifically supports, also suggests a change to § 65.600(b).

²³² Notice of Office of Management and Budget Action, at 2.

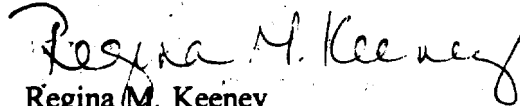
²³³ See supra Part III. A. (1).

VII. ORDERING CLAUSES

61. Accordingly, IT IS ORDERED, pursuant to Sections 1, 4(i), 4(j), 201-205, 218, 226, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. § 151, 154(i), 154(j), 201-205, 218, 226, 303(r), and Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that the Commission's rules and policies ARE AMENDED as set forth in Appendices C and D which are hereby incorporated by reference.

62. IT IS FURTHER ORDERED, pursuant to Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that the proposal in Revision of Filing Requirements that Payphone Compensation reports be filed semiannually is rescinded.

FEDERAL COMMUNICATIONS COMMISSION



Regina M. Keeney

Chief, Common Carrier Bureau

APPENDIX A**Parties filing Comments, Reply Comments, and Informal Comments****Comments:**

ALLTEL Telephone Services Corporation (ALLTEL)
AT&T Corp. (AT&T)
Bell Atlantic Telephone Companies (Bell Atlantic)
BellSouth Corporation and BellSouth Telecommunications, Inc. (BellSouth)
Cincinnati Bell Telephone (Cincinnati Bell)
Competitive Telecommunications Association (CompTel)
GTE Service Corporation (GTE)
Iowa Network Services, Inc. (INS)
National Exchange Carriers Association (NECA)
NYNEX Telephone Companies (NYNEX)
Pacific Bell and Nevada Bell (Pacific Bell)
Southwestern Bell Telephone Company (Southwestern Bell)
Sprint Corporation (Sprint)
United States Telephone Association (USTA)
U S WEST Communications, Inc. (U S WEST)

Reply Comments:

ALLTEL
AT&T
Bell Atlantic
Citizens for a Sound Economy Foundation (Citizens for a Sound Economy)
Iowa Utilities Board
MCI Telecommunications Corporation (MCI)
Pacific Bell
USTA
U S WEST

Informal Comments:

American Public Communications Council (APCC)

APPENDIX B**FINAL REGULATORY FLEXIBILITY ANALYSIS****I. Final Analysis of this Report and Order****A. Introduction**

1. The Commission in the NPRM concluded that an Initial Regulatory Flexibility Analysis (IRFA) mandated in certain circumstances by the Regulatory Flexibility Act (RFA) was not required as there were no small entities affected by the proposals described in the NPRM.²³⁴ After the NPRM was adopted, however, Congress amended the RFA in the Contract With America Advancement Act of 1996 (CWAAA), Pub. L. No. 104-121, 110 Stat. 847 (1996).²³⁵ Pursuant to the amended requirements of the RFA and after further consideration of the potential economic impact on small entities, this Report and Order includes a Final Regulatory Flexibility Analysis (FRFA) as set out in this Appendix B.

B. Need for and Objectives of the Rules and Actions Taken

2. In this Report and Order, the Common Carrier Bureau (Bureau), upon delegated authority from the Commission, eliminates thirteen reporting requirements and modifies four others so as to significantly reduce the frequency by which affected entities must file information with the Commission. The Bureau takes these actions in furtherance of the President's Regulatory Reform Initiative and the overall de-regulatory objectives of the Paperwork Reduction Act. This action is part of the Commission's and Bureau's continuing efforts to reduce the regulatory burden on the public by reducing the amount of information the public must provide to the Commission. In short, the results of the Bureau's actions in this Report and Order are entirely deregulatory and represent significant reductions of the burdens imposed on the public -- including small entities. No additional or substitute burdens are imposed on the public to replace the reporting requirements that are eliminated.

C. Summary of Significant Issues Raised by the Public in Response to the IRFA

3. As explained in paragraph 1, supra, the Commission in the NPRM concluded that an IRFA was not required and, as a result, no comments were filed addressing such an analysis. In general, however, the commenters praised and supported the Commission's proposed deregulatory actions. In fact, no party opposed any of the deregulatory actions adopted in this Report and Order. While not every party discussed every action proposed in the NPRM, the overwhelming consensus was that the actions taken in this Report and Order -- all of which serve

²³⁴ NPRM at para. 22.

²³⁵ Subtitle II of the CWAAA is "The Small Business Regulatory Enforcement Fairness Act of 1996" (SBREFA), codified at 5 U.S.C. § 601 et seq.

either to eliminate or reduce filing burdens imposed by regulation -- would serve the public interest. Some parties encouraged the Commission to make additional revisions to reporting requirements beyond those proposed in the NPRM.²³⁶ Accordingly, we conclude that nothing in the record demonstrates that small entities will be adversely affected by implementation of this Report and Order. This conclusion is bolstered by the supportive comments of USTA, whose members include small and mid-size companies.²³⁷

D. Description and Estimate of Number of Small Businesses to Which Rules and Actions Will Apply

4. For purposes of this analysis, we examined the relevant definition of "small entity" or "small business" and applied this definition to examine those entities that are subject to the reporting requirements in question. The RFA defines a "small business" to be the same as a "small business concern" under the Small Business Act, 15 U.S.C. § 632, unless the Commission has developed one or more definitions that are appropriate to its activities.²³⁸ Under the Small Business Act, a "small business concern" is one that: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).²³⁹ Moreover, SBA has defined a small business for Standard Industrial Classification (SIC) category 481 (Telephone Communications) to be small entities when they have fewer than 1,500 employees.²⁴⁰

5. As an initial matter we note that, as demonstrated by the following list, the entities affected by the vast majority of the deregulatory actions taken by the Bureau in this Report and Order are among the largest communications companies, namely, AT&T, Sprint, the Regional (Bell) Holding Companies (RHCs), and the Bell Operating Companies (BOCs):

- (1) Equal Access Progress Report: submitted by AT&T and RHCs;
- (2) Construction Budget Summary: submitted by AT&T and RHCs;

²³⁶ See generally Part IV, supra, (discussing proposals to revise reports not discussed in the NPRM); see also Part III, supra, (discussing commenters' proposals to eliminate reports that the Commission proposed for modification). See, e.g., BellSouth Comments at 5-6 (urging the Commission to eliminate ARMIS Reports 43-01, 43-02, and 43-03).

²³⁷ See USTA Comments at 1-3; USTA Reply Comments at 1.

²³⁸ See 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 5 U.S.C. § 632).

²³⁹ 15 U.S.C. § 632. See, e.g., Brown Transport Truckload, Inc. v. Southern Wipers, Inc., 176 B.R. 82, 89 (N.D. Ga. 1994).

²⁴⁰ 13 C.F.R. § 121.201.

- (3) National Security and Emergency Preparedness Effectiveness Report (NSEP Report): submitted annually by AT&T and Bellcore;
- (4) AT&T Customer Premises Equipment (CPE): Installation & Maintenance Report;
- (5) AT&T Service Quality: Equipment Blockage and Failure Report;
- (6) AT&T Nondiscrimination Report for Enhanced Service Providers;
- (7) BOC Customer Premises Equipment (CPE) Affidavits for Non-Discrimination Provision of Network Maintenance;
- (8) BOC Customer Premises Equipment (CPE) Installation & Maintenance Report;
- (9) BOC Sales Agency Program and Vendor Support Program Report;
- (10) Billing and Collection Contracts: submitted by incumbent local exchange carriers (ILECs).
- (11) Circuit Report: filed by 36 nondominant carriers.
- (12) Record Carrier Letter: filed by record carriers with operating revenues over \$75 million.
- (13) Report on Inside Wiring Service: filed by ILECs with operating revenues over \$100 million;
- (14) Form 492 Rate of Return Report: filed by ILECs not subject to price cap regulation and the National Exchange Carrier Association (NECA);
- (15) Joint Board Monitoring Program: Pooling: submitted by NECA;
- (16) New Service Tracking Report: submitted by ILECs subject to price-cap regulation;
- (17) Report of Unsecured Credit to Political Candidates: submitted by all carriers having revenue in excess of \$1 million.

6. Setting aside the ten actions that are addressed exclusively to some of the largest communications entities, only the adopted actions addressing the following reports would appear to possibly implicate some small entities: (3) NSEP Report; (10) Billing and Collection; (11) Circuit Report; (12) Record Carrier Letter; (14) Form 492 Rate of Return Report; (15) Joint Board Monitoring Program; and (17) Report of Unsecured Credit to Political Candidates. Moreover, it is easy to quantify the number of all entities (i.e., including a putative smaller number of small entities) affected by four of the seven actions not addressed exclusively to the largest entities. Thus, action (3), NSEP Report, affects only one entity other than AT&T

(Bellcore); action (11), Circuit Report, affects only 36 entities; action (12), Record Carrier Letter, affects only two entities; and action (15), Joint Board Monitoring Program, affects only one entity (NECA). Assuming, arguendo, that some of these affected entities are "small businesses" or "small entities," the subset of such putative small businesses or entities could only, by definition, equal and not exceed the forty (40) members that, at a maximum, constitute the affected entity set for these four actions. Furthermore, the regulatory actions adopted in the Report and Order, in every case, effect reductions in regulatory burdens: as a result of the Report and Order, fewer regulatory burdens are imposed on all affected entities, large and small alike.

7. Thus, only three of the report-related actions adopted in this Report and Order are addressed to entity groups for which small business or entity subsets, per SBA definition, are difficult to identify and quantify: (10) Billing and Collection (submitted by all ILECs); (14) Form 492 Rate of Return Report (filed by NECA and all ILECs not subject to price cap regulation); and (17) Report of Unsecured Credit to Political Candidates (submitted by all carriers having revenue in excess of \$1 million). We proceed to consider these entity groups.

8. First, addressing the groups "all ILECs" and "all ILECs not subject to price cap regulation," we note that only one action, (10), Billing and Collection, affects ILECs generally, while a second, (14) Rate of Return Report, affects one readily identifiable entity (NECA) and a subset of "all ILECs" that excludes the largest ILECs (*i.e.*, "all ILECs not subject to price cap regulation"). Furthermore, we note that the Commission has found ILECs to be "dominant in their field of operation" since the early 1980's, and consistently has certified under the RFA²⁴¹ that ILECs are not subject to regulatory flexibility analyses because they are not small businesses.²⁴² The Commission has made similar determinations in other areas.²⁴³ We firmly believe that the Commission's consistent and long-standing definitional treatment of all ILECs as dominant (and hence exempt from treatment as small businesses under prong (2) of the SBA test set out supra) should not be altered here. We will, however, out of an abundance of caution and prudence, include small ILECs, as defined in relation to SBA SIC 481, in this FRFA to remove any possible issue of RFA compliance.

9. Neither the Commission nor SBA has developed a definition of small providers of local exchange services. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies (SIC 4813). The most reliable source of information regarding the number of ILECs nationwide of which we are aware

²⁴¹ See 5 U.S.C. § 605(b).

²⁴² See, *e.g.*, Expanded Interconnection with Local Telephone Company Facilities, Supplemental Notice of Proposed Rulemaking, 6 FCC Rcd 5809 (1991); MTS and WATS Market Structure, Report and Order, 2 FCC Rcd 2953, 2959 (1987) (citing MTS and WATS Market Structure, Third Report and Order, 93 FCC 2d 241, 338-39 (1983)).

²⁴³ See, *e.g.*, Implementation of Sections of the Cable Television Consumer Protection Act of 1992: Rate Regulation, Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393, 7418 (1995).

appears to be the data that we collect annually in connection with the Telecommunications Relay Service (TRS). According to our most recent data, 1,347 companies reported that they were engaged in the provision of local exchange services.²⁴⁴ Although it seems certain that some of these carriers are not independently owned and operated (prong 1 of the SBA definition of small business concerns), or have more than 1,500 employees (prong 3), we are unable at this time to estimate with greater precision the number of ILECs that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 1,347 small ILECs that may be affected by the actions adopted in this Report and Order. Again, in every case, these actions either eliminate or reduce the regulatory burdens imposed on any such small ILECs.

10. The final deregulatory action adopted by this Report and Order poses the most difficulty in identifying affected small business concerns. Number (17), Report of Unsecured Credit to Political Candidates, must be submitted by all *carriers* having revenue in excess of \$1 million. The relevant set of small business concerns affected by this report obviously includes the set of ILECs identified above ("fewer than 1,347 small ILECs") to the extent that any earn more than \$1 million in annual revenues, but also must include small business concerns from all other carrier groups, including both wireline and wireless (radiotelephone) carriers.²⁴⁵ We first discuss non-LEC wireline carriers, including interexchange carriers (IXCs), competitive access providers (CAPs), Operator Service Providers (OSPs), Pay Telephone Operators, and resellers.

11. Neither the Commission nor SBA has developed definitions for small entities specifically applicable to these wireline service types. The closest applicable definition under SBA rules for all these service types is for telephone communications companies other than radiotelephone (wireless) companies. The most reliable source of information regarding the number of IXCs, CAPs, OSPs, Pay Telephone Operators, and resellers nationwide of which we are aware appears to be the data that we collect annually in connection with the TRS. According to our most recent data: 97 companies reported that they are engaged in the provision of interexchange services; 30 companies reported that they are engaged in the provision of competitive access services; 29 companies reported that they are engaged in the provision of operator services; 197 companies reported that they are engaged in the provision of pay telephone services; and 206 companies reported that they are engaged in the resale of telephone services.²⁴⁶ Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, and, further, that within the potential set of small entities not all would earn annual revenues in excess of \$1 million, we are unable at this time to estimate

²⁴⁴ Federal Communications Commission, CCB, Industry Analysis Division, "Telecommunications Industry Revenue: TRS Fund Worksheet Data", Tbl. 21 (Average Total Telecommunications Revenue Reported by Class of Carrier) (Feb. 1996) (TRS Worksheet).

²⁴⁵ SBA has established SIC 4812 to distinguish small entities providing radiotelephone communications from SIC 4813 small entities providing telephone communications except radiotelephone.

²⁴⁶ TRS Worksheet, at Tbl. 21 (Average Total Telecommunications Revenue Reported by Class of Carrier).

with greater precision the number of IXC's, CAP's, OSP's, Pay Telephone Operators, and resellers that would both qualify as small business concerns under SBA's definition and be subject to the Report's \$1 million annual revenue requirement. Consequently, we estimate that there are fewer than 97 small entity IXC's; 30 small entity CAP's; 29 small entity OSP's; 197 small entity pay telephone service providers; and 206 small entity providers of resale telephone service that might be affected by the actions and rules adopted in this Report and Order. Again, in every case, these actions and rules either eliminate or reduce the regulatory burdens imposed on any such small entities.

12. We now discuss non-wireline carriers, including: Wireless (Radiotelephone) Carriers; Cellular Service Carriers; and Mobile Service Carriers.

13. SBA has developed a definition of small entities for Wireless (Radiotelephone) Carriers. The Census Bureau reports that there were 1,176 such companies in operation for at least one year at the end of 1992.²⁴⁷ According to SBA's definition, a small business radiotelephone company is one employing fewer than 1,500 persons.²⁴⁸ The Census Bureau also reported that 1,164 of those radiotelephone companies had fewer than 1,000 employees. Thus, even if all of the remaining 12 companies had more than 1,500 employees, there would still be 1,164 radiotelephone companies that might qualify as small entities if they are independently owned and operated. Although it seems certain that some of these carriers are not independently owned and operated, and, further, that within the set of potential small entities not all such entities would earn annual revenues in excess of \$1 million, we are unable to estimate with greater precision the number of radiotelephone carriers and service providers that would both qualify as small business concerns under SBA's definition and be subject to the Report's \$1 million annual revenue requirement. Consequently, we estimate that there are fewer than 1,164 small entity radiotelephone companies that might be affected by the actions and rules adopted in this Report and Order. Again, in every case, these actions and rules either eliminate or reduce the regulatory burdens imposed on any such small entities.

14. Neither the Commission nor SBA has developed a definition of small entities specifically applicable to Cellular Service Carriers and to Mobile Service Carriers. The closest applicable definition under SBA rules for both services is for telephone companies other than radiotelephone (wireless) companies. The most reliable source of information regarding the number of Cellular Service Carriers and Mobile Service Carriers nationwide of which we are aware appears to be the data that we collect annually in connection with the TRS. According to our most recent data, 789 companies reported that they are engaged in the provision of cellular services and 117 companies reported that they are engaged in the provision of mobile services.²⁴⁹

²⁴⁷ United States Department of Commerce, Bureau of the Census, "1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size," at Firm Size 1-123 (1995) (1992 Census).

²⁴⁸ 13 C.F.R. § 121.201, Standard Industrial Classification (SIC Code 4812).

²⁴⁹ TRS Worksheet, at Tbl. 21 (Average Total Telecommunications Revenue Reported by Class of Carrier).

Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, and, further, that within the potential set of small entities not all would earn annual revenues in excess of \$1 million, we are unable at this time to estimate with greater precision the number of Cellular Service Carriers and Mobile Service Carriers that would qualify as small business concerns under SBA's definition and be subject to the Report's \$1 million annual revenue requirement. Consequently, we estimate that there are fewer than 789 small entity Cellular Service Carriers and fewer than 117 small entity Mobile Service Carriers that might be affected by the actions and rules adopted in this Report and Order. Again, in every case, these actions and rules either eliminate or reduce the regulatory burdens imposed on any such small entities.

E. Description of Projected Reporting, Record Keeping and Other Compliance Requirements of the Rules

15. As detailed in the body of the Report and Order, these rules will significantly reduce the amount of reporting, record keeping, and compliance requirements which was previously placed on the regulated entities -- including the small entities identified above. In our efforts to quantify the economic impact of this Report and Order on small businesses, we refer to the Office of Management and Budget (OMB) and its analyses of administrative burdens imposed by agency rules and policies.²⁵⁰ OMB has approved Bureau estimates of "burden hours" for the following reports which our analysis has shown to affect small entities: (11) Circuit Report, (12) Record Carrier Letter, (14) Form 492 Rate of Return Report, and (17) Report of Unsecured Credit to Political Candidates.²⁵¹

16. With respect to those four reports affecting small entities that are eliminated by this Report and Order, the Bureau has prepared and OMB has approved estimates of the benefits for two of these reports: (10) Circuit Report and (12) Record Carrier Letter.²⁵² According to these Bureau and OMB estimates, the Bureau's action to eliminate the Circuit Report will result in a savings of 500 hours per year, in toto, to the nondominant carriers formerly required to file that report.²⁵³ For those record carriers formerly required to file the Record Carrier Report, it is estimated that this Report and Order will save approximately 20 hours per year, in toto, by

²⁵⁰ Paperwork Reduction Act of 1995, Pub. L. 104-13 (1995).

²⁵¹ NPRM, 61 FR at 10523.

²⁵² See Section D, *supra* (concluding that four reports eliminated by this Report and Order might potentially affect small entities: (1) NSEP Report, (10) Billing and Collection Report, (11) Circuit Report, and (12) Record Carrier Letter).

²⁵³ NPRM, 61 FR at 10523. See OMB No. 3060-0149. The per-hour reduction was calculated by comparing the OMB hourly estimates provided in the NPRM (showing the burden on entities after the Report and Order) with the OMB control number listing (showing the approved burdens for the respective reporting requirements as existing before this Report and Order).

eliminating this report.²⁵⁴ While OMB does not maintain estimates for the other two reports eliminated, (1) NSEP Report and (10) Billing and Collection Report, it is clear that, as a result of the Bureau's actions, the small businesses previously subject to these reports will see reduced expenses for associated accounting, legal, and administrative activities.

17. As set out in Section D, the Bureau modified three reports that might potentially affect small entities: (14) Form 492 Rate of Return Report, (15) Joint Board Monitoring Program, and (17) Report of Unsecured Credit to Political Candidates. According to OMB analysis of report (14), the Form 492 Rate of Return Report, the Bureau's action in this Report and Order will reduce the total burden on all businesses, both small and otherwise, by 840 hours per year.²⁵⁵ OMB estimates for report (17), Report of Unsecured Credit to Political Candidates, indicate that as a result of the Bureau's action in this Report and Order, carriers -- small entities and otherwise -- will spend 104 hours less per year, in toto, to comply with the reporting requirement.²⁵⁶ With respect to (15) the Joint Board Monitoring Program, no OMB estimates are available to calculate the precise economic benefit to NECA -- the only entity subject to this reporting requirement; however, it is clear that by reducing the frequency of filing from monthly to quarterly reports, NECA will bear a relatively smaller burden than it did under the prior schedule.

F. Steps Taken to Minimize Impact on Small Entities Consistent with Stated Objectives

18. As discussed in detail in Section E, to the extent that it affects small entities, the impact of this Report and Order is only beneficial. The primary thrust of this Report and Order is to reduce administrative burdens wherever possible. It does not impose any new requirements. Because this action does not include changes in format reports or additional reporting requirements, there are no steps necessary to minimize any impact on small entities. Small entities and large entities alike should be able to benefit immediately from the Bureau's actions to eliminate or reduce requirements pursuant to this Report and Order.

G. Significant alternatives considered and rejected

19. Again, the action does not impose additional burdens on small entities and will in fact have a positive impact by reducing administrative burdens on a wide variety of entities. Nonetheless, we did consider a number of alternatives to the Report and Order as issued.

20. Where we merely modified the filing frequency, we received comments from a

²⁵⁴ NPRM, 61 FR at 10523. See OMB No. 3060-0515.

²⁵⁵ NPRM, 61 FR at 10523. See OMB No. 3060-0355.

²⁵⁶ NPRM, 61 FR at 10523. See OMB No. 3060-0147.

number of parties recommending that we instead eliminate the subject reporting requirements.²⁵⁷ We carefully considered these options in light of our own experience and in light of reply comments from other parties. As discussed in detail in Part III, we are persuaded that these reports still serve important interests and should be retained.²⁵⁸ We conclude that this Report and Order achieves the proper balance between reducing burdens and fulfilling important monitoring objectives.

21. Another alternative considered was offered by CompTel, an association of telecommunications providers including interexchange carriers. CompTel suggested imposing a new requirement to replace the Billing and Collections Report. While specifically supporting our proposed elimination of the Billing and Collections Report, CompTel argued that copies of all such contracts should be filed with the Commission. We rejected CompTel's proposal because it would impose significant administrative burdens on ILECs, both large and small, to monitor a market which the vast majority of the parties concluded to be fully competitive.

22. We received several proposals to eliminate or alter reports which were not addressed in the NPRM. For example, Cincinnati Bell Telephone, a self-described mid-size local exchange carrier, proposes that the Commission increase the revenue threshold for filing for various reports including Cost Allocation Manuals (CAMS).²⁵⁹ While we recognize that such changes might exempt smaller ILECs from some of these filing requirements, we choose not to follow such suggestions without giving other parties an opportunity to comment. We believe that such this and other such proposals would be more appropriately considered in a separate proceeding and are outside the scope of our delegated authority. To that extent, we reaffirm that this Report and Order is a reflection of our continuing commitment to minimizing the adverse impact of the Commission's rules.

H. Report to Congress

23. The Bureau shall send a copy of this Final Regulatory Flexibility Analysis, along with this Report and Order, in a report to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. §801 (a)(1)(A). A copy of this FRFA will also be published in the Federal Register.

²⁵⁷ See Part III, supra (discussing alternative proposals submitted by commenters for the Form 492 Rate of Return Report, supra at para. 37-38, Joint Board Monitoring Program, supra at para. 40-41, New Service Tracking Report, supra at para. 43-46, Report of Unsecured Credit to Political Candidates, supra at para. 48-49).

²⁵⁸ Id.

²⁵⁹ Cincinnati Bell Telephone Comments at 1-2.

APPENDIX C**AMENDMENTS TO THE COMMISSION'S RULES**

1. The authority citation continues to read as follows:

AUTHORITY: Sections 1, 4(i), 4(j), 201-205, 218, 226, 303(r) and 403 of the Communications Act of 1934, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 218, 226, 303(r), 403, unless otherwise noted.

ELIMINATION OF REPORTS:

2. Circuit Report: Part 63 of the Commission's Rules and Regulations (Chapter 1 of Title 47 of the Code of Federal Regulations, Part 63) is hereby amended as follows:

Section 63.07(b) is hereby amended by deleting the present 63.07(b) in its entirety.

* * * * *

3. Record Carrier Letter: Part 43 of the Commission's Rules and Regulations (Chapter 1 of Title 47 of the Code of Federal Regulations, Part 43) is hereby amended as follows:

Section 43.21(d) is hereby amended by deleting, "Each record carrier with operating revenues over \$75 million for a calendar year shall file a letter showing selected income statement and balance sheet items for that year with the Common Carrier Bureau Chief. These letters must be filed by March 31 of the following year."

* * * * *

MODIFICATION OF REPORTS:

4. Form 492: Rate of Return Report: Part 65 of the Commission's Rules and Regulations (Chapter 1 of Title 47 of the Code of Federal Regulations, Part 65) is hereby amended as follows:

Section 65.600(b) is hereby amended by substituting "after the end of each calendar year, an annual rate of return monitoring report which shall be the enforcement period report." in place of, "after the end of each calendar quarter, a quarterly rate of return monitoring report." in the present Section 65.600(b).

Section 65.600(b) is further amended by deleting "Each report shall contain two parts. The

first part shall contain rate of return information on a cumulative basis from the start of the enforcement period through the end of the quarter being reported. The second part shall contain similar information for the most recent quarter. The final quarterly monitoring report for the entire enforcement period shall be considered the enforcement period report."

* * * * *

5. Report of Unsecured Credit to Political Candidates: Part 64 of the Commission's Rules and Regulations (Chapter 1 of Title 47 of the Code of Federal Regulations, Part 64) is hereby amended as follows:

Section 64.804 is hereby amended by deleting "and July 31, 1973" in the present 64.804(g).

* * * * *

APPENDIX D

AMENDMENTS TO COMMISSION POLICIES

1. Equal Access Progress Report: It is ordered that the reporting requirement placed on AT&T and the Regional Holding Companies pursuant to Condition 3, AT&T Divestiture Order, in connection with equal access is hereby terminated.

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2. Construction Budget Summary: It is ordered that the reporting requirement placed on AT&T and the Regional Holding Companies pursuant to Condition 10, AT&T Divestiture Order, in connection with construction budgeting is hereby terminated.

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3. National Security and Emergency Preparedness Effectiveness Report (NSEP Report): It is ordered that the reporting requirement placed on AT&T and the Regional Holding Companies pursuant to Condition 3, AT&T Divestiture Order, in connection with national security and emergency preparedness is hereby terminated.

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4. AT&T Customer Premises Equipment (CPE): Installation & Maintenance Report: It is ordered that the reporting requirement placed on AT&T in connection with customer premises equipment installation and maintenance is hereby terminated.

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5. AT&T Service Quality: Equipment Blockage and Failure Report: It is ordered that the reporting requirement placed on AT&T in connection with service quality (equipment blockage and failure) is hereby terminated.

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6. AT&T Nondiscrimination Report for Enhanced Service Providers: It is ordered that the reporting requirement placed on AT&T in connection with the provision of enhanced services is hereby terminated.

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7. BOC Customer Premises Equipment (CPE) Affidavits for Non-Discrimination Provision of Network Maintenance: It is ordered that the affidavits requirement placed on Bell Operating Companies in connection with customer premises equipment installation and

maintenance is hereby terminated.

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8. BOC Customer Premises Equipment (CPE) Installation & Maintenance Report: It is ordered that the reporting requirement placed on Bell Operating Companies in connection with customer premises equipment installation and maintenance is hereby terminated.

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9. BOC Sales Agency Program and Vendor Support Program Report: It is ordered that the reporting requirement placed on Bell Operating Companies in connection with sales agency programs and vendor sales activity is hereby terminated.

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10. Billing and Collection Contracts: It is ordered that the reporting requirement placed on incumbent local exchange carriers in connection with their contracts for billing and collection services for interstate communications is hereby terminated.

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11. Report on Inside Wiring Service: It is ordered that the reporting requirement placed on incumbent local exchange carriers in connection with inside wiring service is hereby terminated.

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12. Joint Board Monitoring Program; Pooling: It is ordered that the reporting requirement placed on NECA in connection with summary of pool results is hereby modified. The summary of pool results will be required quarterly instead of monthly.

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13. New Service Tracking Report: It is ordered that the reporting requirement placed on all price cap companies in connection with new service tracking is hereby modified. Reports will be required annually instead of quarterly.